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Robert M. Cassaro
PO Box 1522
Pine, Az. 85544
928-476-2891

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Feb. 26, 2007 Arizona Corporation Commission

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AZ CORP COMMISSION
ARIZONA CORPORATION COMMISSION
1200 West Washington St.
Phoenix, Az. 85007

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ARIZONA CORPORATION COMMISSION
HEARING DIVISION

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me

Attention Judge Dwight Nodes

Re: Objections filed by Pine Water Co. to My Intervention in Case W-03512A-06-0407 and in Case W-03512A-06-0613 Scheduled to be Heard on May 21,2007

Dear Judge Nodes

Because of Both My status as a customer of Pine Water Co. (PWC) and as a taxpayer in Gila County , I wish to express my DESIRE to intervene in the above referenced cases.

PWC's factual answers to numerous paragraphs of the original complaint filed by Randall / Pugel (and likewise on ATM complaint) bring up many concerns by Me as an existing customer and by other property owners within the CC&N that are currently being denied water service by PWC:

- 1) At paragraph 4 (line 15 & 16) of the Randall / Pugel answer from PWC, Shapiro admits that " On June 28,2006 PWC indicated its willingness to support Complainant's request for a VARIANCE to the moratorium". As a consumer who has long suffered MANY water outage's (most recent being Sunday January 28,2007 at which time a four inch main ruptured and was running FULL BORE a minimum of 3 1/2 hrs and most likely longer) and Summer shortages . It appears to Me if a variance was granted the existing water issues would worsen and increased HAULING would be the end result. If the Complainants are allowed to withdraw from the CC&N , that is fine with Me, - BUT - if NEW CUSTOMERS are to be added , I and other ratepayers should have the right to understand how PWC is going to avoid making the water supply situation worse.
- 2) At paragraph 5 (line 15) of the answer PWC indicates it has explored several long term solutions to increase the availability of water supply within its CC&N. I believe this statement is merely " window dressing " for the Commissioners , since insignificant amounts of " WET WATER " have resulted over the last 10 years , even though other abutting water districts (Strawberry Hollow)and other private individuals (Randall / Pugel)have found substantial additional water resources.
- 3) Also at paragraph 5 (line 23) the statement that participation by "Gila County is essential to resolve the water supply problem in Pine Water's service area ". As a taxpayer in Gila County , I do not want to pay taxes to have Gila County solve the

problem that is FULLY the RESPONSIBILITY of PWC. It appears PWC always pushes the blame for their lack of water resources on Gila County, the geological structure, the lack of rainfall, or other water improvement districts etc .when others in the immediate area have been able to develop and manage their water resources in a manner that DOES NOT cause current customers or land owners to suffer. All of the water serving Strawberry Hollow and Pine Creek Canyon (Portal IV) (these wells are located in the PWC CC&N) have been discovered during the period of time since 1996 when Brooke Utilities acquired PWC. In addition , the extensive new water at the Randall / Pugel well that is located inside PWC CC&N and has been successfully tested over seven days at a volume approximately equal TO ALL of the 20+ wells owned by and operated by PWC! !

- 4) Within Paragraph s 11 & 12 (line 17,21&22) PWC has offered to support a request for a variance from the moratorium. As a current water user , I do not believe PWC should support a variance that would allow more customers to be added since they cannot adequately serve the current customer base. Due to My experience as an intervener at PWC hearings with the ACC for 3.5 years, I do not believe the Company has been forthright with the Commission and the Pine community in terms of its desire to or ability to negotiate in “ good faith “ for new water resources. Private well owners like Strawberry Hollow District, Randall / Pugel and Jim Hill (all of which have significant water resources) have all become fully frustrated in any efforts to share their water with the citizens in the PWC service area. Such frustration seems to come from no real progress in discussions with PWC, never ending negotiations that go nowhere ,and a simple lack of trust of PWC and its management.
- 5) At Paragraph 19(line10&11) PWC has claimed “ Respondent has made substantial efforts to find and improve the water situation in Pine, Arizona” Over the years the ACC Staff has been unable to satisfy the citizens of Pine that this supposed activity is anything but “talk” and “ window dressing” that is designed to give false hope to the ACC that something will actually be accomplished in terms of “ REAL WET WATER “ If PWC was really committed to finding new water in Pine (to avoid expensive pipeline and hauling costs to consumers),why is it that others have consistently found new water in Pine when the Company cannot do so ? ? I believe the Company’s supposed water development activities and THICK report of November 2005 are merely “activity” and a list of possible options and not meaningful results. Since that report was issued Strawberry Hollow has received a 100 year adequacy designation from ADEQ and Randall / Pugel has uncovered 150 g.p.m. water resource (approximately equal to ALL of PWC’s current water resources in Pine).
- 6) Paragraph 22(line19&20) says “respondent denies the allegation that Pine Water Co. has breached its obligation to provide water to all members of the public” The water outages , water restrictions , meter and line extension moratoriums , request for removal from the PWC CC&N , and the need to hold the hearing on May 21,2007 are all evidence that this breach has occurred consistently over the years and that the response provided by the company is “ FALSE “
- 7) Paragraph 27(line3&4) of the response, states the Company “ denies the allegations contained in paragraph IV.7 that is unwilling to provide water

services". This response seems to be based on the idea the Company is willing to serve water ", but the reason it cannot do so is that the Commission ordered moratorium restricts the Company from additional service connections ,again trying to shift the blame to the ACC. This response again reflects that the Company is hiding behind the moratorium claiming it is not their fault it exists, rather than accepting the fact, the moratorium is simply in place to protect current customers from inadequacies of the Company such as possibly a lack of hydro-geological knowledge ,financial resources, customer sensitivity, etc. OR is the Company's lack of service based on a strategy of trying to " buffalo" the ACC or to simply " MILK" the Company and rate-payers for as long as possible before selling , filing bankruptcy ,etc.

Because of the above concerns , I respectfully request that I be allowed to intervene in a case that is all about water service to current and future property owners in Pine.

Respectfully Submitted

A handwritten signature in cursive script that reads "Robert M. Cassaro". The signature is written in dark ink and is positioned above a horizontal dashed line.

Robert M. Cassaro

Original and fifteen copies of the foregoing mailed this 26th day of February ,2007 to:

Docket Control
Arizona Corporation Commission
1200 West Washington St.
Phoenix, Arizona 85007.

Dwight D. Nodes
Assistant Chief Administrative Law Judge
Arizona Corporation Commission
1200 West Washington St.
Phoenix, Arizona 85007

Kevin Torrey
Legal Division
Arizona Corporation Commission
1200 West Washington St.
Phoenix, Arizona 85007

Jay L. Shapiro
Patrick J. Black
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012
Attorneys for Pine Water Co. Inc.